

Attachment No. PC 3

August 9, 2011 City Council Minutes

forward redistricting proposals to Council for review and approval at one of the meetings in September.

Mayor Pro Tem Gardner stated that Bicycle Safety Committee meeting will be held on September 12, but normally meets the first Monday of the month.

Council Member Curry announced the Finance Committee schedule and mentioned that the City has received positive assessment valuations during all the years of the recession.

XVI. PUBLIC HEARINGS

- 12. NERO PROPERTY AMENDMENTS (PA2011-061) - 105 15TH STREET - AMENDMENTS TO THE GENERAL PLAN, COASTAL LAND USE PLAN, AND THE ZONING MAP TO CHANGE THE DESIGNATIONS OF THE SUBJECT PROPERTY FROM TWO-UNIT RESIDENTIAL (RT, RT-D AND R-2) TO MIXED-USE HORIZONTAL (MU-H4, MU-H AND MU-CV/15TH ST) LAND USE DESIGNATIONS. [100-2011]**

Community Development Director Brandt noted that the Planning Commission unanimously approved the recommended action. Senior Planner Garcia presented the staff report and a PowerPoint presentation to discuss the proposed amendment, show the vicinity map, and highlight the code amendment summary.

In response to Council questions, Senior Planner Garcia reported that the General Plan requires abatement of non-residential units and noted the subject property is similar to the matter related to the Frog House. He further noted that there were about 15 properties that would require amendments or extensions to the abatement period, and that seven properties have not initiated the process.

Mayor Henn opened the public hearing.

Morrie Nero, applicant, discussed the history of this property and that compliance with the General Plan would require a complete demolition and rebuild of the property.

Hearing no further testimony, Mayor Henn closed the public hearing.

Motion by Council Member Rosansky, seconded by Council Member Hill to a) adopt Resolution No. 2011-85 approving General Plan Amendment No. GP2011-004 and Local Coastal Plan amendment No. LC2011-003; and b) introduce Ordinance No. 2011-21 approving Code Amendment No. CA2011-007, and pass to second reading for adoption on September 13, 2011.

The motion carried by the following roll call vote:

Ayes: Council Member Hill, Council Member Rosansky, Mayor Pro Tem Gardner, Mayor Henn, Council Member Selich, Council Member Curry, Council Member Daigle

- 13. MARINER'S POINTE (PA2010-114) - AN APPEAL OF THE PLANNING COMMISSION'S DECISION TO DENY A GENERAL PLAN AMENDMENT (GPA) AND RELATED DISCRETIONARY APPLICATIONS TO ACCOMMODATE THE DEVELOPMENT OF A NEW TWO-STORY COMMERCIAL BUILDING AND A THREE-STORY PARKING STRUCTURE [SUBSEQUENT TO THE PLANNING COMMISSION'S ACTION ON THE PROJECT, THE APPLICANT HAS MODIFIED**

THE PROJECT REDUCING THE GROSS FLOOR AREA FROM 23,015 SQUARE FEET (APPROX 0.7 FAR) TO 19,905 SQUARE FEET (APPROX. 0.6 FAR) AND ELIMINATING THE NEED TO UTILIZE OFF-SITE PARKING]. [100-2011]

Community Development Director Brandt stated that this item would require multiple actions by Council. Senior Planner Murillo utilized a PowerPoint presentation to discuss the existing site conditions, the original proposal, Planning Commission concerns, the modified project, required applications and approvals, City Council options, neighboring resident concerns, Planning Commission denial, the appeal, project studies, and a correction to Condition No. 7.

In response to Council questions, Senior Planner Murillo discussed the roofing scheme, signage, the Council policy which allows the use of sidewalks for outdoor dining, and the procedure for the public hearing. He noted that if the development is approved, each restaurant must request its own Conditional Use Permit (CUP), and added that other uses would be limited to operating hours concluding at 11:00 p.m. He also responded to inquiries related to the architectural design and various project amenities, and mentioned the reduction in the number of curb cuts.

Council Member Daigle stated that the approvals related to this project will affect the development of other properties along Mariner's Mile. She expressed concern regarding the development's proposed parking scheme and requested additional information on the parking management plan.

Mayor Henn opened the public hearing.

Tod Ridgeway, representing the applicant, introduced the owners of VBAS, Glen and Eva Verdult.

Eva Verdult, owner of Mariner's Pointe, described the proposed development, stated that VBAS sees the project as a major destination for residents and visitors, and assured Council that they will seek to obtain only the finest restaurants and retailers as tenants. She stated that the development would also be the site of their flagship jewelry store and will revitalize Mariner's Mile. She expressed hope that the project will be supported by the residents and Council.

Mr. Ridgeway displayed a PowerPoint presentation which detailed various aspects of the project, including the changes based on recommendations from the Planning Commission, residents, and staff, the reduced overall square footage, the top level parking for valet and employees, the parking roof which will block noise and light impacts to the surrounding neighborhoods, and the reduced restaurant and medical space.

Tod Stoutenborough, project architect, continued the PowerPoint presentation and stated that the project was developed based on over 1½ years of input and meetings with the City, residents, Traffic Engineer, landowners, and various other stakeholders. He presented the scale of the project, the enclosed parking structure, the architectural and design elements that would mitigate the size and project massing of the project, the striping plan, and the various heights of the project. He added that the ingress of the building is from the Coast Highway side and that there is no ingress from the residential side of the project. He further mentioned that due to the roof enclosure of the parking structure, the parking structure square footage is now added to the total square footage of the project. He described the site study analysis and stated that there is no impediment to the water view for those who live on the bluffs. He further stated that there will be 48 tandem parking spaces, the project had a thorough parking study, patrons will be self-parking until 4:00

p.m. or 5:00 p.m., after which valet service begins, and noted that the tandem spaces on the upper level were reserved for employees.

Senior Planner Murillo responded regarding the heights that are allowable given sloped versus flat roofs and the site review process. He indicated that the proposed project is within the limits allowed by the Municipal Code.

Council Member Daigle inquired whether the developers considered off-site parking for the project.

Kynn Knight, Sunset Parking, stated that individuals who self-park and leave their vehicles after the commencement of valet parking would not be towed. He acknowledged that his company completed a thorough parking management study and stated that appropriate signage would be used as a deterrent. He concluded that the parking management study was evaluated based on maximum parking capacity, although it is his belief that maximum capacity would be a rarity for this project. He stated that in his experience, employees assigned to tandem parking spaces typically self-assign parking based upon their job so that getting in and out of the parking lot is not an issue. He mentioned that the City Engineer reviewed the proposed parking plan and several changes were made. He also noted that conditions of approval would be built into the application which would require a revised parking management plan should additional or alternative tenants participate in the project.

Mr. Ridgeway mentioned the meetings held with Caltrans in order to provide options for bicycles, cleaning of the sidewalk, creating an easier transition into the project, and the placement of signs.

Ned McCune, Chair of the Mariner's Mile Business Association, spoke in support of the Mariner's Pointe development and the revitalization of the area.

Jim Crocenzi spoke in support of the Mariner's Pointe development proposal.

Maury DeWald spoke regarding the history of the project, including Caltrans involvement and the size of the project. He believed that the project is too big for the parcel size.

Steven James spoke in support of the Mariner's Pointe development proposal.

Nancy Laurant-Sanchez spoke in support of the Mariner's Pointe development proposal.

Cameron Merage, adjacent commercial property owner, believed that the proposed project will increase the negative impacts to the community and recommended that Council deny the project. He submitted a rebuttal response which included the massing of roof structures and setbacks, the blocking of open space views, increased building heights, and more shadow on the adjacent properties.

Albert Hannah spoke in support of the Mariner's Pointe development proposal.

Laura Torbox, adjacent property owner, spoke in opposition to the Mariner's Pointe development proposal and stated that she would like to see additional mitigations.

David Heartman spoke in support of the Mariner's Pointe development proposal.

Tony Shaw spoke in support of the Mariner's Pointe development proposal.

Tom Lally spoke in opposition to the Mariner's Pointe development proposal.

John Sturgess spoke in support of the Mariner's Pointe development proposal.

Jack Geerlings spoke in opposition to the Mariner's Pointe development proposal.

Jason Uyarkian spoke in support to the Mariner's Pointe development proposal.

Michelle Ludante spoke in support to the Mariner's Pointe development proposal.

Hearing no further testimony, Mayor Henn closed the public hearing.

Community Development Director Brandt clarified that any restaurant within the development will require Conditional Use Permits and an Operator's License.

Council Member Selich stated that he appealed this project to Council and believed that the applicant has done a good job of addressing the concerns that were raised by the Planning Commission with regard to size and parking management. He stated that approval of this project would set the standard for development along Mariner's Mile and suggested amendments to the Conditions of Approval to ensure the quality of the architecture and landscaping plan.

Motion by Council Member Selich, seconded by Council Member Curry to a) adopt Resolution No. 2011-86 approving the revised project by 1) adopting the Mitigated Negative Declaration, including the Mitigation Monitoring and Reporting Program, 2) finding that, based on the weight of the evidence in the administrative record, including Traffic Study No. TS2011-001, that the Project complies with the Traffic Phasing Ordinance (TPO), and 3) approving General Plan Amendment No. GP2010-009, Site Development Review No. SR2010-001, Conditional Use Permit No. 2010-024, Variance No. 2010-004, and Parcel Map No. 2010-008, subject to findings and conditions; and b) introduce Ordinance No. 2011-22 approving Code Amendment No. CA2010-009, and pass to second reading for adoption on September 13, 2011.

Mayor Pro Tem Garner stated her belief that the development as proposed was too massive for the area.

Council Member Hill stated that the project was not too big for the site and believed that the Mariner's Mile area will slowly begin to transition from rural to a more urban setting. He noted that the project is scaled into the bluff, which masks the massing, and that the conditions placed on the project will allow the City to monitor adverse impacts. He believed that the project will actually reduce current noise levels for the residents living above Coast Highway and indicated that he liked the reduced size and scale of the project.

Council Member Curry noted that there have been substantial mitigations submitted with the project and that any restaurant in the project can be conditioned through the permit process. He emphasized that if Council is serious about economic revitalization, they need to begin now by approving projects such as this one.

Council Member Daigle stated the General Plan was an important issue in 2006 and that Council needs to keep its promises and parameters set during that process. She stated that she would prefer the project to return to the Planning Commission and be developed within the .5 Floor Area Ratio (FAR) and existing height limits. She noted that she is not

in favor of exceeding what the General Plan currently allows.

Council Member Selich suggested modifications to Conditions of Approval Nos. 1, 4, 20 and 21, which would require additional specifications regarding the materials to be used, colors, window treatments, a detailed landscaping plan (including plant species), and the heights for the project.

Mr. Ridgeway stated that the amended Conditions of Approval were acceptable.

Amended motion by Council Member Selich, seconded by Council Member Curry to a) adopt Resolution No. 2011-86 approving the revised project by 1) adopting the Mitigated Negative Declaration, including the Mitigation Monitoring and Reporting Program, 2) finding that, based on the weight of the evidence in the administrative record, including Traffic Study No. TS2011-001, that the Project complies with the Traffic Phasing Ordinance (TPO), and 3) approving General Plan Amendment No. GP2010-009, Site Development Review No. SR2010-001, Conditional Use Permit No. 2010-024, Variance No. 2010-004, and Parcel Map No. 2010-008, subject to amended findings and conditions as proposed; and c) introduce Ordinance No. 2011-22 approving Code Amendment No. CA2010-009, and pass to second reading for adoption on September 13, 2011.

The amended motion carried by the following roll call vote:

Ayes: Council Member Hill, Council Member Rosansky, Mayor Henn, Council Member Selich, Council Member Curry

Noes: Mayor Pro Tem Gardner, Council Member Daigle

XVII. CURRENT BUSINESS

14. QUARTERLY BUSINESS REPORT (QBR) UPDATE. [100-2011]

City Manager Kiff provided a staff report, stating that support costs for Boards, Commissions, and Committees were disclosed in the QBR and will be added to all future reports. In addition, he stated that information will be added to the report based on the City's year-end closing numbers. He indicated that the report will be posted on the City's website.

Mayor Henn expressed support for the addition of the Boards, Commissions, and Committees costs and pointed out the large amount of staff resources required to support these bodies. He also expressed support for staff's immediate action to pursue the acquisition of Coast Highway and to explore alternatives to keep the project moving forward.

Public Works Director Badum discussed various alternatives, including separating parts of the project to continue the forward progress. He stated that it is clear that the City does not want to pursue ownership of the bridge over the Back Bay, but requested to be provided with maintenance and other related costs. He acknowledged that the City must review all facts related to the various street acquisition projects prior to moving forward.

15. RESPONSE TO THE ORANGE COUNTY GRAND JURY - "COMPENSATION STUDY OF ORANGE COUNTY CITIES." [100-2011]

City Manager Kiff noted that the City is required to respond to this Grand Jury report.

